

Amendments to the claims (this listing replaces all prior versions):

1. (currently amended) A machine-based method comprising:
acquiring one or more properties from one or more investors through tax advantaged transactions, at least one of the properties being acquired from one of the investors in exchange for an interest in an investment entity;
using a machine to (a) track each investor's basis in his interest in the investment entity, (b) allocate each investor's basis in his interest in the investment entity among properties acquired by the investment entity, (c) track the allocated basis of each investor as a result of a succession of tax-advantaged exchange transactions, with the assistance of a machine, (d) from time to time determining determine a current value of an interest in the investment entity based on characteristics of the one or more properties held by the investment entity, and (e) identify at least one of the properties as appropriate for disposition,
exchanging at least one of the identified properties that falls outside of the investment profile for at least one other property in a tax-advantaged exchange;
enhancing the value of at least one of the properties by physical improvements; and
redeeming an interest of at least one of the investors by the investment entity at a value based on the current value.
2. (original) The method of claim 1 in which the investment profile comprises income-producing real estate.
3. (original) The method of claim 1 in which the investment profile comprises inner-city residential rental properties.
4. (original) The method of claim 1 in which the investment profile comprises distressed properties.
5. (original) The method of claim 1 in which the investment profile comprises properties for which a purchase price for an individual property divided by a total rent obtained from such property is low relative to other properties located in a surrounding area.
6. (original) The method of claim 1 in which the investment profile comprises residential rental properties for which rents are below market for a neighborhood proximate to such properties.

7. (currently amended) The method of claim 1 in which the investor makes a tax-advantaged contribution of the property in exchange for an interest in the investment entity.

8. (original) The method of claim 1 in which the redemption of interests of investors is limited at any one time to a predetermined portion of a value of the properties held by the investment entity.

9. (original) The method of claim 1 in which the physical improvements further comprise refurbishment.

10. (original) The method of claim 1 in which the property value is further enhanced by improved management of the property.

11. (original) The method of claim 2 in which the investment profile further comprises distressed properties.

12. (original) The method of claim 2 in which the investment profile further comprises residential rental properties for which rents are below market for a neighborhood proximate to such properties.

13. (original) The method of claim 2 in which the investment profile further comprises properties for which a purchase price for an individual property divided by a total rent obtained from such property is low relative to other properties located in a surrounding area.

14. (original) The method of claim 3 in which the investment profile further comprises residential rental properties for which rents are below market for a neighborhood proximate to such properties.

15. (original) The method of claim 3 in which the investment profile further comprises properties for which a purchase price for an individual property divided by a total rent obtained from such property is low relative to other properties located in a surrounding area.

16. (currently amended) A machine-based system of managing investment assets comprising

an investment entity for receiving tax-advantaged contributions of at least one property from at least one investor in exchange for an interest in the investment entity, and for managing, holding and exchanging properties through tax-advantaged transactions;

an investment profile comprising a disciplined portfolio approach that uses diversification and contingent risk minimization,

a ~~computer~~ machine-based system to (a) track each investor's basis in his interest in the investment entity, (b) ~~to~~ record and analyze investments held by the investment entity, (c) allocate the basis and tax attributes of investments held by the entity among the investors, (d) ~~to~~ track the basis and tax attributes allocable to each investor in the investments of the entity, (e) from time to time determine a current value of an interest in the investment entity based on characteristics of the one or more properties held by the investment entity, and (f) ~~to~~ analyze other properties within the investment profile for possible investment by means of tax-advantaged transactions and to determine which properties held by the investment entity fall outside the investment profile and transactions and which are suitable for disposal;

at least one management entity to actively enhance properties held by the investment entity by means of physical improvements, refurbishment and management efficiencies; and

a plan of redemption of interests of investors, the redemptions occurring at a value based on characteristics of one or more of the properties.

17. (original) The system of claim 16 in which the investment profile comprises income-producing real estate.

18. (original) The system of claim 16 in which the investment profile comprises inner-city residential properties.

19. (original) The system of claim 16 in which the investment profile comprises distressed properties.

20. (original) The system of claim 16 in which the investment profile comprises properties for which a purchase price for an individual property divided by a total rent obtained from such a property is low relative to other properties located in a surrounding area.

21. (original) The system of claim 16 in which the investment profile comprises residential rental properties for which rents are below market for a neighborhood proximate to such properties.

22. (currently amended) The system of claim 16 in which the tax-advantaged contribution comprises a tax-advantaged contribution of property.

23. (original) The system of claim 16 in which the plan of redemption further comprises a limitation to a predetermined portion of a value of the properties held by the investment entity.

24. (original) The system of claim 16 in which the at least one management entity is the same as the investment entity.

25. (original) The system of claim 16 in which the investment entity also receives cash investments.

26. (previously presented) The method of claim 1 in which the values of interests in the investment entity that are exchanged for properties of investors through tax-advantaged transactions are based on the current value.

27. (previously presented) The method of claim 1 in which the redeeming of interests by investors occurs at times determined at least in part by the investors.

28. (previously presented) The method of claim 1 in which the investment entity comprises a limited partnership or a limited liability company.

29. (new) A machine-based method comprising:
acquiring properties at a succession of different times from investors in tax-advantaged transactions in exchange for interests in an investment entity;
defining an investment profile for properties to be held by the investment entity,
identifying at least one of the properties as falling outside the investment profile and
exchanging the properties in tax-advantaged exchanges at a succession of different times,
enhancing the values of at least some of the properties by physical improvements,
redeeming the interests of at least some of the investors at a succession of different times,
controlling the rate of redemptions of interests to reduce the need to divest properties at depressed values to fund the redemptions,

each of the acquisitions and each of the redemptions being effected at the then current value of the interests of the investors based on the characteristics of properties held by the investment entity, and

using a machine to (a) track each investor's basis in his interest in the investment entity from his initial investment to a redemption of his interest, (b) allocate each investor's basis in his

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interest in the investment entity among properties acquired and held by the investment entity, and (c) track the allocated basis of each investor's interest as a result of a succession of tax-advantaged exchange transactions involving properties acquired, held, and divested by the investment entity at a succession of different times.